



The Conference Report to accompany H.R. 3074 – The Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2008

Executive Summary

The conference report to accompany the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2008 (H.R. 3074) is expected to be considered on the floor November 14, 2007.

The House of Representatives passed H.R. 3074 on July 24, 2007, by a vote of 268 to 153. Subsequently, the Senate passed their version of H.R. 3074 on September 12, 2007.

The conference report to accompany H.R. 3074 provides \$50.98 billion in discretionary spending for the Departments of Transportation and HUD, which is \$2.8 billion above the President's request and \$3.2 billion over FY2007.

On July 23, 2007, the Office of Management and Budget issued a Statement of Administration Policy (SAP) on H.R. 3074. The SAP contains a veto threat to H.R. 3074 because "it includes an irresponsible and excessive level of spending and includes other objectionable provisions." ([SAP-H.R. 3074](#))

Floor Situation

The Conference Report to accompany H.R. 3074 is being considered on the floor pursuant to a closed rule. The rule:

- Waives all points of order against the conference report and against its consideration.
- Provides that the conference report shall be considered as read.

The bill was introduced by Representative John Olver (D-MA) on July 18, 2007. The House Committee on Appropriations reported H.R. 3074 on July 18, 2007. The bill is expected to be considered on the floor on November 14, 2007.

Funding Summary

Table: Transportation-HUD Appropriations

(funding in millions)

	FY08 House- Passed	FY08 Administration Request	Conference Report
Total Spending, including Trust Funds	\$104,405	\$100,269	\$105,564
Total Discretionary	\$50,738	\$47,900	\$50,981
FAA	\$14,622	\$14,077	\$14,633
Highway Funding	\$37,565	\$37,941	\$38,766
Amtrak	\$1,400	\$800	\$1,375
Section 8 Project Based Assistance	\$6,479	\$5,813	\$6,382
Tenant-based Housing Assistance	\$16,330	\$16,000	\$16,443
CDBG	\$4,180	\$3,037	\$4,000
HOPE VI	\$120	-\$99	\$120
HOME Program	\$1,764	\$1,967	\$1,767

Key Provisions

Title I: Dept of Transportation

- **Essential Air Service:** The conference report provides \$60 million for payments to air carriers, which brings total budget to \$125 million (with funding from the Deficit Reduction Act of 2005 and FAA Reauthorization of 1996). This funding level is consistent with the House and Senate funding levels.
- **Aviation Safety:** The conference agreement provides \$1.083 billion for aviation safety, which is \$6.5 million more than the House- passed funding level. This amount includes funding intended to annualize flight standard and aircraft certification officers hired in 2007 and to hire additional critical safety staff.
- **Air Traffic Controllers:** The conference report provides \$1.082 billion, which is \$6 million more than the House funding level. It also fulfills the President's budget request by providing for the hiring and training of 1,420 new air traffic controllers.
- **Pilot Retirement Age:** Increases mandatory pilot retirement age from 60 to 65.
- **Aviation Insurance Revolving Fund:** The conference report continues war risk insurance and the limitation on air carrier liability arising out of acts of terrorism until December 31, 2008.

**Note: According to the SAP for H.R. 3074 issued on July 23, 2007, "the Administration opposes the one-year extension for the war risk insurance program*

for domestic air carriers, which crowds out private sector mechanisms for diversifying risk.

- **Federal Highway Aid:** The conference report provides \$40.2 billion in total highway funding, the same level guaranteed in SAFETEA-LU and the House funding level, which is \$1.25 billion (or 3.2 percent) more than FY2007 and \$631 million over the President's request.

It also includes a \$3 billion rescission of unobligated prior year highway funds, but allows states flexibility on where to take the funds.

Note: The Highway Trust Fund is expected to be more than \$4 billion short by FY2009. The Committee on Transportation and Infrastructure has jurisdiction over the income and spending of the Trust Fund.

- **Bridge Funding:** The conference agreement provides an additional \$1 billion for bridge repair.
- **Toll Roads:** Prohibits tolling in the State of Texas.
- **National Highway Traffic Safety Administration (NHTSA):** The conference agreement appropriates \$104.05 million for the NHTSA, which is \$1.5 million above the President's request.
- **U.S.-Mexico Cross-border Trucking:** The conference report prohibits funds to implement the cross-border truck pilot program.
- **Solid Waste:** Conference report allows states to regulate solid waste at a solid waste rail transfer facility.
- **Minnesota Bridge Repair:** The conference agreement provides \$195 million for I-350 bridge repair in Minnesota as authorized in P.L. 110-56. ([Legislative Digest for H.R. 3311](#))
- **AMTRAK:** The bill provides \$1.37 billion in total funding for AMTRAK, which is \$30 million less than House funded. This includes \$475 million for Operating Grants for Amtrak (\$475 million more than requested) and \$900 million for Capital and Debt Service Grants (\$400 million more than requested).

**Note: According to the SAP for H.R. 3074 issued on July 23, 2007, "the Administration strongly objects to providing \$1.4 billion for Amtrak, which will perpetuate a flawed model for intercity passenger rail."*

- **U.S. Merchant Marine Academy (USMMA):** The bill includes \$62.747 million for the USMMA, which is an increase of \$1.636 million over the President's request.

- **Ship Disposal:** The conference agreement provides \$17 million for the disposal of obsolete ships from the National Defense reserve fleet.

Title II: Department of Housing and Urban Development

Note: The conference report includes a \$1.25 billion rescission in HUD appropriations from FY2007. This is \$50 million less than the House- passed proposal.

- **Tenant-Based Rental Assistance (Section 8 voucher):** The conference agreement provides \$16.44 billion for tenant-based rental assistance, an increase of \$106 million over the House- passed funding level and \$436 million more than requested.

The vast majority of this funding (\$14.7 billion) is for tenant-based vouchers. It also instructs HUD to provide reimbursement vouchers for every public and assisted housing unit that was occupied in the last 24 months if that unit is demolished during 2008.

- **Project-Based Rental Assistance:** The conference report includes nearly \$6.38 billion for project-based rental assistance, which is \$98 million less than the House funding level and \$568.8 million more than requested. The bill prohibits HUD from using this funding to meet the rescission.
 - **Family Self-Sufficiency Coordinators (FSS):** The conference agreement includes \$49 million for FSS coordinators, which is \$1 million more than the House funding level and the President's request and \$1.5 million more than FY2007. FSS coordinators help tenants find and increase work so they can transition off of federal housing assistance.
 - **Homeless Veterans:** The conference report provides \$75 million for housing vouchers for homeless veterans.
 - **Revitalization of Severely Distressed Public Housing (HOPE VI):** The conference agreement appropriates \$120 million for HOPE VI grants, which is consistent with the House- passed funding level and \$21 million more than FY2007. The President's budget proposed zero funding for FY2008 and rescinding all of the FY2007 funding (\$99 million).
- *Note: Hope VI funding for public housing authorities (PHAs) provides for the renovation or demolition of deteriorating public housing.*
- **Rural Housing and Economic Development:** The conference report provides \$17 million for rural housing and economic development, which is \$170,000 more than the House funding level. The President proposed shifting this activity to the Community Development Block Grant or the HOME programs.

- **Community Development Block Grants (CDBG):** The conference agreement includes \$4 billion for CDBG, which is \$1.8 million less than the House funding level and \$963 million more than the President's request.

**Note: CDBG is the largest source of federal assistance for state and local governments for housing and community development. This account also includes all the Economic Development Initiative and Neighborhood Initiative projects requested by members.*

- **American Dream Downpayment Initiative (ADDI):** The conference agreement appropriates \$15 million for the ADDI. The President requested \$50 million for FY2008. The program was created to promote homeownership and to revitalize and stabilize communities. It assists low-income first-time homebuyers by providing downpayment, closing costs, and rehabilitation assistance.

**Note: The House-passed appropriations bill did not include funding for this program. Downpayment assistance is an eligible use of funds within this program.*

- **HOME Investment Partnerships Program:** The conference report provides \$1.767 billion for the HOME program, which is \$2.29 million more than the House funding level and \$199.64 million less than the President's budget request. This funding allows State and local governments flexibility in acquiring, rehabilitating, or constructing new affordable housing for low-income households.
- **Partnership for the Advancement of Technology in Housing (PATH):** The conference agreement accepts a House provision that directs \$5 million to be competitively awarded and the resources shall be focused on energy-efficiency in low-income housing.
- **Foreclosure Mitigation:** The conference agreement provides \$200 million through the Neighborhood Reinvestment Corporation for foreclosure mitigation activities

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